

STATEMENT OF BASIS
Shell Pipeline Company, LP
Shell Pipeline Sugarland Terminal
LPDES Permit LA0054674
AI No. 32798

Draft Louisiana Pollutant Discharge Elimination System permit No. LA0054674 to discharge to waters of the State of Louisiana.

THE APPLICANT IS: Shell Pipeline Company, LP
 Shell Pipeline Sugarland Terminal
 6525 DOE Road
 St. James, Louisiana 70086

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
 Office of Environmental Services
 Post Office Box 82135
 Baton Rouge, Louisiana 70884-2135

PREPARED BY: Valeric Powe

DATE PREPARED: November 2, 2009

I. PERMIT STATUS

A. Reason For Permit Action:

Proposed reissuance of a Louisiana Pollutant Discharge Elimination System (LPDES) permit for a five year term following regulations promulgated at LAC 33:IX.2711/40 CFR 122.46*. Upon the effective date, this permit shall replace the previously effective LPDES permit LA0054674.

* In order to ease the transition from NPDES to LPDES permits, dual regulatory references are provided where applicable. The LAC references are the legal references while the 40 CFR references are presented for informational purposes only. In most cases, LAC language is based on and is identical to the 40 CFR language. 40 CFR Parts 401, 405-415, and 417-471 have been adopted by reference at LAC 33:IX.4903 and will not have dual references. In addition, state standards (LAC 33:IX.Chapter 11) will not have dual references.

LAC 33:IX Citations: Unless otherwise stated, citations to LAC 33:IX refer to promulgated regulations listed at Louisiana Administrative Code, Title 33, Part IX.

40 CFR Citations: Unless otherwise stated, citations to 40 CFR refer to promulgated regulations listed at Title 40, Code of Federal Regulations in accordance with the dates specified at LAC 33:IX.4901, 4903, and 2301.F.

B. LPDES permit: LA0054674
 LPDES permit effective date: August 1, 2003
 LPDES permit expiration date: July 30, 2008

The LPDES permit expired on July 30, 2008. The facility submitted its permit renewal application dated February 6, 2008. Therefore, the permit was administratively continued.

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II. FACILITY INFORMATION

- A. FACILITY TYPE – crude oil pipeline and storage facility
- B. APPLICANT ACTIVITY-

Shell Pipeline Company, LP - Shell Pipeline Sugarland Terminal is an existing facility where crude oil is transported through the facility as a raw material for other facilities. This facility does not manufacture any products. The discharges from the facility are treated sanitary wastewaters.

- C. FEE RATE

- 1. Fee Rating Facility Type: minor
- 2. Complexity Type: II
- 3. Wastewater Type: III
- 4. SIC code: 4612

- D. LOCATIONS – 6525 DOE Road, St. James, Louisiana, St. James Parish
(Latitude: 30° 00' 43" Longitude: 90° 50' 50")

- E. FACILITY EFFLUENT FLOW – 1,700 GPD

III. RECEIVING WATERS

- A. STREAM: via an effluent pipe, thence to unnamed facility ditches, thence to the Burton Lane ditch, and the St. James Canal
- B. BASIN AND SEGMENT: Barataria Basin, Segment 020101
- C. DESIGNATED USES:
 - a. primary contact recreation
 - b. secondary contact recreation
 - c. propagation of fish and wildlife
 - d. agriculture

IV. OUTFALL INFORMATION

Outfall 001 Deleted

Outfall 002

- A. Discharge Type: intermittent discharge of treated sanitary wastewater located on the northeast side of the facility near the main gate
- B. Treatment: sewage treatment plant with chlorination
- C. Location: at the point of discharge from the sewage treatment plant located on the northeast side of the facility near the main gate, prior to mixing with other waters.
(Latitude 30° 00' 39", Longitude 90° 50' 55")

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- D. Flow: Treated Sanitary Wastewater – 1,200 GPD
- E. Receiving Waters: via an effluent pipe, thence to unnamed facility ditches, thence to the Burton Lane ditch, and the St. James Canal
- F. Basin and Subsegment: Barataria and 020101

Outfall 003

- A. Discharge Type: Intermittent discharge of treated sanitary wastewater from the guard house
- B. Treatment: sewage treatment plant
- C. Location: at the point of discharge from treatment unit (Latitude 30° 00' 39", Longitude 90° 50' 55")
- D. Flow: Intermittent 500 GPD
- E. Receiving Waters: via an effluent pipe, thence to unnamed facility ditches, thence to the Burton Lane ditch, and the St. James Canal
- F. Basin and Segment: Barataria and 020101

Outfall 004 Deleted

Outfall 005 Deleted

Outfall 101 Deleted

Outfall 104 Deleted

Outfall 105 Deleted

V. PROPOSED CHANGES FROM PREVIOUS PERMIT

Based on a review of the application, permittee requested removal of Outfalls 001, 004, 005, 101, 104, and 105. Additionally, Shell Pipeline has discontinued discharging wash water, hydrotest water, tank draw water, and fire system test water. The remaining Outfalls 002 and 003 include only discharges of treated sanitary wastewater. This Office has determined that due to reoccurring crude oil spills in July of 2009, the permittee is not eligible to obtain coverage under the LPDES Class I Sanitary General Permit (see Section VIII, Compliance History). Therefore, permittee will retain its individual LPDES permit status. Stormwater from this facility will be managed under a Stormwater Pollution Prevention Plan (SWPPP) in lieu of established permit limitations.

Outfalls 002 and 003

Based on new LDEQ guidance for sanitary wastewaters, the statistical basis has been changed for treated sanitary wastewater outfalls to a daily maximum in lieu of a weekly average for

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included in both sanitary wastewater outfalls. The Discharge Monitoring Report (DMR) Requirements have been updated to include new language which allows for electronic DMR submittals.

VI. PERMIT LIMIT RATIONALE

The following sections set forth the principal facts and the significant factual, legal, methodological, and policy questions considered in preparing the draft permit.

Outfall 002- Intermittent discharge of treated sanitary wastewater located on the northeast side of the facility near the main gate.

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow	Report	Report	1/6 months	Estimate
BOD ₅	30 mg/L	45 mg/L	1/6 months	Grab
TSS	30 mg/L	45 mg/L	1/6 months	Grab
Fecal Coliform	200 colonies/100ml	400 colonies/100ml	1/6 months	Grab
pH	6.0 min	9.0 max	1/6 months	Grab

Site-Specific Consideration(s)

Flow: established in accordance with LAC 33:IX.2707.I.1.b. Sanitary effluents from non-POTW are expressed as daily max per (LAC 33:IX.2709.D).

BOD₅: effluent limitations are consistent with LPDES Class I Sanitary General Permit, LAG530000 and permitted facilities with similar operations at a frequency of 1/6 months. Sanitary effluents from non-POTW are expressed as daily max per (LAC 33:IX.2709.D). BOD₅ has been retained from the administratively continued LPDES permit, effective August 1, 2003.

TSS: effluent limitations are consistent with LPDES Class I Sanitary General Permit, LAG530000 and permitted facilities with similar operations at a frequency of 1/6 months. Sanitary effluents from non-POTW are expressed as daily max per (LAC 33:IX.2709.D). TSS has been retained from the administratively continued LPDES permit, effective August 1, 2003.

Fecal Coliform: effluent limitations are consistent with LPDES Class I Sanitary General Permit, LAG530000 and permitted facilities with similar operations at a frequency of 1/6 months. Sanitary effluents from non-POTW are expressed as daily max per (LAC 33:IX.2709.D). Fecal Coliform has been retained from the administratively continued LPDES permit, effective August 1, 2003.

pH: effluent limitations are established in accordance with LAC33:IX.1113.C.1 and shall be monitored at a frequency of 1/6 months. This requirement has been retained from the administratively continued LPDES permit, effective August 1, 2003.

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Outfall 003- Intermittent discharge of treated sanitary wastewater from the guard house

Parameter	Monthly Average	Daily Maximum	Frequency	Sample Type
Flow	Report	Report	1/6 months	Estimate
BOD ₅	30 mg/L	45 mg/L	1/6 months	Grab
TSS	30 mg/L	45 mg/L	1/6 months	Grab
Fecal Coliform	200 colonies/100ml	400 colonies/100ml	1/6 months	Grab
pH	6.0 min	9.0 max	1/6 months	Grab

Site-Specific Consideration(s)

Flow: established in accordance with LAC 33:IX.2707.1.1.b. Sanitary effluents from non-POTW are expressed as daily max per (LAC 33:IX.2709.D).

BOD₅: effluent limitations are consistent with LPDES Class I Sanitary General Permit, LAG530000 and permitted facilities with similar operations at a frequency of 1/6 months. Sanitary effluents from non-POTW are expressed as daily max per (LAC 33:IX.2709.D). BOD₅ has been retained from the LPDES permit, effective August 1, 2003.

TSS: effluent limitations are consistent with LPDES Class I Sanitary General Permit, LAG530000 and permitted facilities with similar operations at a frequency of 1/6 months. Sanitary effluents from non-POTW are expressed as daily max per (LAC 33:IX.2709.D). TSS has been retained from the LPDES permit, effective August 1, 2003.

Fecal Coliform: effluent limitations are consistent with LPDES Class I Sanitary General Permit, LAG530000 and permitted facilities with similar operations at a frequency of 1/6 months. Sanitary effluents from non-POTW are expressed as daily max per (LAC 33:IX.2709.D). Fecal Coliform has been retained from the LPDES permit, effective August 1, 2003.

pH: effluent limitations are established in accordance with LAC33:IX.1113.C.1 and shall be monitored at a frequency of 1/6 months. This requirement has been retained from the administratively continued LPDES permit, effective August 1, 2003.

VII. TMDL Waterbodies

Outfalls 002 and 003

Subsegment 020101, Barataria, is not listed on LDEQ's Final 2006 303(d) list as impaired. However, subsegment 020101 was previously listed as impaired for organic enrichment/low DO, non-native aquatic plants, nitrate, and phosphorus for which the below TMDL's have been developed. The Department of Environmental Quality reserves the right to impose more stringent discharge limitations and/or additional restrictions in the future to maintain the water quality integrity and the designated uses of the receiving water bodies based upon additional TMDL's and/or water quality studies. The DEQ also reserves the right to modify or revoke and reissue this permit based upon any changes to establish TMDL's for this discharge, or to

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accommodate for pollutant trading provisions in approved TMDL watersheds as necessary to achieve compliance with water quality standards.

The Barataria Basin TMDL Report for Biochemical Oxygen-Demanding Substances was finalized on May 5, 2004. The following TMDL's have been established for subsegment 020101:

Outfalls 001 and 002 both discharge treated sanitary wastewater to unnamed facility ditches, to the Burton Lane ditch, and thence to the St. James Canal. LDEQ's position regarding water quality criteria for nutrients is when oxygen-demanding substances are controlled and limited in order to ensure that the dissolved oxygen criterion is supported, nutrients and phosphorus are also controlled and limited. *See In The Matter of Sierra Club and Louisiana Environmental Network Request for Nutrient Limits*. Docket No. AHD-DR-96001, LDEQ April 29, 1996. LAC 33:IX.2707.D.1.f.iii allows the establishment of effluent limitations based on an indicator parameter for the pollutant of concern. LDEQ's consistent approach to controlling nutrients, where the WQMP does not otherwise require specific nutrient limitations, is achieved by limiting the discharge of oxygen-demanding substances through a BOD₅ limitation. Compliance with the BOD₅ limitation as the indicator parameter will result in the control of nutrients from the discharge sufficient to attain and maintain the applicable water quality standard. Discharges in compliance with the standard sanitary limits applied in this permit should not cause or further contribute to the phosphorus, nitrate, and organic enrichment/low DO. Therefore, BOD₅ effluent limitations have been established to ensure that the integrity of the waterbody is maintained.

There are no known point source discharges of Non-native Aquatic Plants in the Barataria Basin and therefore no allocation was given to point sources.

VIII. COMPLIANCE HISTORY/COMMENTS

A. Compliance History

1. OEC: There are no open, appealed, or pending enforcement actions as of September 10, 2009.
2. EPA: There are no known open, appealed, or pending enforcement actions as of September 10, 2009.

B. DMR Review: A review of the DMRs from June 1, 2006 to June 1, 2009 revealed one exceedance of fecal coliform on June 26, 2009. The reported value was 4,000 col/100ml.

C. Inspections: **July, 24, 2009**, 1/2 barrel of crude oil spilled on the rock covered parking lot east of the guard shack at the Sugarland Terminal. The area was excavated and appeared that the release was from the 42" dock line. The release was confined to the property with no offsite impact. Local maintenance personnel stopped the release and cleaned the impacted area.

July 20, 2009, 5 barrels of crude oil spilled into a drainage ditch adjacent to the Sugarland Terminal. The spill was from a 42" dock line and affected an area of approximately four feet wide by 200 feet long. The crude oil was contained in the drainage ditch and the free liquids were picked up with a vacuum truck.

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long. The crude oil was contained in the drainage ditch and the free liquids were picked up with a vacuum truck.

January 12, 2008, an oil stain was discovered on the ground in the manifold area and crude oil being visible in concrete catch basin. A ½" drain line located at the bottom of the valve was discovered leaking. Maintenance and operation personnel removed fitting and replaced the stainless steel plug. All freestanding liquid was picked up with a vacuum truck.

IX. "IT" QUESTIONS - APPLICANT'S RESPONSES

This is an existing facility. IT questions were not required to be addressed.

X. ENDANGERED SPECIES

The receiving waterbody, Subsegment No. 020101 of the Barataria River Basin is not listed in Section II.2 of the Implementation Strategy as requiring consultation with the U.S. Fish and Wildlife Service (FWS). LDEQ has not submitted this draft permit to the FWS for review in accordance with a letter dated November 17, 2008 from Rieck (FWS) to Nolan (LDEQ). Therefore, in accordance with the Memorandum of Understanding between the LDEQ and the FWS, no further informal (Section 7, Endangered Species Act) consultation is required. It was determined that the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species or the critical habitat. The effluent limitations established in the permit ensure protection of aquatic life and maintenance of the receiving water as aquatic habitat.

XI. HISTORIC SITES

The discharge is from an existing facility. There should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the Louisiana State Historic Preservation Officer is required.

XII. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Department of Environmental Quality has made a tentative determination to permit the discharges described in the application.

XIII. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Public notice published in:

Local newspaper of general circulation

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Office of Environmental Services Public Notice Mailing List

XIV. STORMWATER POLLUTION PREVENTION PLAN (SWP3) REQUIREMENT

The SWP3 shall be prepared, implemented, and maintained within six (6) months of the effective date of the final permit. The plan should identify potential sources of stormwater pollution and ensure the implementation of practices to prevent and reduce pollutants in stormwater discharges associated with industrial activity at the facility.